

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7364**

**BILL NUMBER:** SB 357

**NOTE PREPARED:** Feb 15, 2007

**BILL AMENDED:**

**SUBJECT:** Sale of Nursery Stock and Wildflower Seeds.

**FIRST AUTHOR:** Sen. Heinold

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill prohibits the Department of Transportation (INDOT) and the Department of Natural Resources (DNR) from selling or distributing nursery stock or wildflower seeds to residents of other states or certain businesses.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) *DNR:* The DNR sells nursery stock to residents of other states. Revenue collected from the sale of nursery stock to out-of-state residents is outlined in the table below.

Year	Revenue
FY 2004	\$184,113
FY 2005	\$202,526
FY 2006	\$82,068

The bill will prohibit DNR from making such sales in the future. DNR revenue would be reduced by \$156,000 per year based on the three-year average of revenue collections from FY 2004 to FY 2006. Revenue collected from sales is deposited in the Forestry Account.

The DNR is not aware of selling or distributing nursery stock to out-of-state retailers or wholesalers. The DNR does not intentionally sell or distribute nursery stock to Indiana retailers or wholesalers. An individual could be purchasing for a retailer or wholesaler, whether in-state or out-of-state, but not reveal this information to the DNR.

DNR produces an average of about 5 million tree seedlings annually through 60+ different species. Statute provides that the DNR must establish, operate, and maintain nurseries for the production of trees to be used in reforestation. The trees may be used to reforest land owned by the state; supplied to owners of private land at a price not exceeding cost of production; or used for planting on public roads or land under the terms that are considered by the DNR to be for the public benefit. The DNR is also required to propagate trees and shrubs for state institutions or for planting along highways.

The DNR does not produce wildflower seeds at this time.

*INDOT*: INDOT has two established nurseries: a one acre plot at Winamac and approximately 8-10 acres at Frankfort. A third site is in the development stage at Madison. Seeds from the sites are collected and used by INDOT on INDOT property. The seeds have also been used at promotional events such as Earth Day to promote the INDOT Roadside Heritage program.

INDOT also has a greenhouse at the Crawfordsville district that grows plant plugs. These plugs are only for INDOT use. INDOT does not sell the plugs.

The bill will have no impact on INDOT because the agency does not sell nursery stock or wildflowers to residents of other states or retail or wholesale businesses that sell nursery stock or wildflower seeds. The bill prohibits such sales in the future.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DNR; INDOT.

**Local Agencies Affected:**

**Information Sources:** DNR; INDOT.

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.